

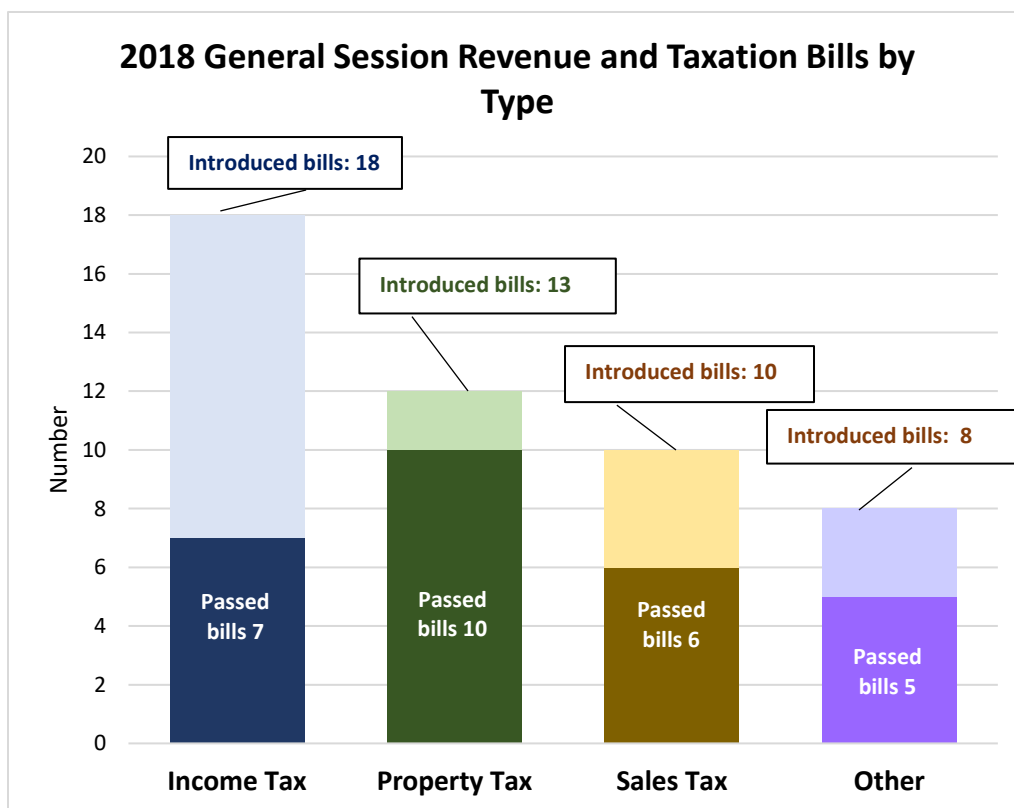
Revenue and Taxation

2018 General Session Bills April 2018



Bills and Resolutions Introduced and Passed

During the 2018 General Session, the Legislature introduced 18 bills and resolutions related to income tax, 13 bills or resolutions related to property tax, 10 bills related to sales and use tax, and 8 other bills related to revenue and taxation. Of these bills and resolutions, 7 income tax bills or resolutions, 10 property tax bills or resolutions, 6 sales and use tax bills or resolutions, and 5 other tax bills or resolutions were passed. These totals do not include budget bills. The figure to the right shows the number of revenue and taxation bills by type.



Summary of 2018 General Session Passed Bills by Category

The tables below provide summaries of the revenue and taxation bills and resolutions that were passed during the 2018 Legislative General Session, organized by subject.

2018 General Session Income Tax Bills and Resolutions that Passed

Number	Bill Name	Sponsor	Summary
HB 53	Military Spouse Income Tax Amendments	S. Eliason	authorizes an individual income tax deduction from adjusted gross income for the amount of all income, including income apportioned to another state, of a nonmilitary spouse of an active duty military member in certain circumstances
HB 54	Individual Income Tax Addition and Deduction Amendments	D. Sagers	amends an addition to adjusted gross income of an individual income taxpayer and an addition to unadjusted income of a resident or nonresident estate or trust for the interest on certain bonds, notes, or other evidences of indebtedness and amends a deduction from adjusted gross income of an individual income taxpayer and a deduction from unadjusted income of a resident or nonresident estate or trust for the interest on certain bonds, notes, or other obligations

2018 General Session Income Tax Bills and Resolutions that Passed

Number	Bill Name	Sponsor	Summary
HB 293	Tax Rebalancing Revisions	B. Last	addresses the apportionment of business income for income tax purposes by phasing in a requirement that certain taxpayers use only the sales factor to calculate the fraction for apportioning business income to the state, allowing an optional apportionment taxpayer to choose between a single sales factor and an equally weighted method to calculate the fraction for apportioning business income to the state, and requiring an optional apportionment taxpayer that chooses to apportion business income using the single sales factor method to continue using the single sales factor method of apportionment in subsequent taxable years; provides a method for a taxpayer to determine if the taxpayer is an optional apportionment taxpayer; reduces the state's corporate and individual income tax rates; addresses when an individual is considered to have domicile in this state for purposes of income tax; modifies the calculation of the taxpayer tax credit; and creates study provisions
HB 316	Tax Commission Information Sharing Amendments	B. Last	amends the circumstances under which the State Tax Commission shall share income tax return information with certain offices; and amends the offices' responsibility regarding privacy of return information
SB 72	Business Income Tax Modifications	W. Harper	provides a method for a taxpayer to determine if the taxpayer is an optional apportionment taxpayer; requires that, for a taxable year beginning on or after January 1, 2019, a taxpayer that apportioned business income using the single sales factor method in the previous taxable year continue to use the single sales factor method of apportionment in subsequent taxable years; provides the circumstances where a taxpayer that previously apportioned business income using the single sales factor method may change the method of apportionment
SB 77	Tax Administration Amendments	C. Bramble	authorizes the Tax Commission to provide certain individual income tax withholding information to the Department of Workforce Services
SB 209	529 Savings Plan Amendments	W. Harper	permits the Utah Educational Savings Plan to use another related name for business and modifies the eligibility criteria for a beneficiary of the Student Prosperity Savings Program
SB 244	Tax Reform Provisions	H. Stephenson	prohibits an individual from receiving the homeowner's or renter's credit if the individual is a dependent with respect to whom another individual claims certain tax credits; provides that a corporation may pay taxes on deferred foreign income in installments under certain circumstances; and addresses when an individual is considered to have domicile in this state for purposes of income tax

2018 General Session Property Tax Bills and Resolutions that Passed

Number	Bill Name	Sponsor	Summary
HB 21	Changes to Property Tax	D. McCay	modifies the calculation of the certified property tax rate by adjusting eligible new growth to account for collection rates over the previous five years; amends the time period in which a

2018 General Session Property Tax Bills and Resolutions that Passed

Number	Bill Name	Sponsor	Summary
			taxpayer or a county may apply to the State Tax Commission to appeal the valuation of property assessed by the commission; requires the commission to disclose, upon request, certain information regarding appeals to a nonprofit organization that represents counties; and prohibits the nonprofit organization from sharing the appeal information with exceptions
HB 293	Tax Rebalancing Revisions	B. Last	amends for a five-year period the calculation of the minimum basic local amount and minimum basic tax rate; establishes the weighted pupil unit value tax rate; establishes the equity pupil tax rate; directs the Division of Finance to deposit an amount equal to the proceeds from: the equity pupil tax rate into the Local Levy Growth Account and the weighted pupil unit value tax rate into the Teacher and Student Success Account; directs the Legislature to annually appropriate money from the Local Levy Growth Account to guarantee local levy increments; directs the State Board of Education to use the appropriation to increase: the number of guaranteed local levy increments to 20, giving first priority to guaranteed voted local levy increments and second priority to guaranteed board local levy increments, and the guaranteed amount for each local levy increment per weighted pupil unit after increasing the number of guaranteed local levy increments; directs a local school board to use funds received from the state local levy guarantee programs for public education purposes; creates the Local Levy Growth Account; creates the Teacher and Student Success Account; modifies the property tax rate cap for the school board local levy to subject all school districts to the same rate cap; repeals the following outdated levies prohibited since January 1, 2012: the board-approved leeway, the capital outlay levy, the additional levy for debt service, school sites, buildings, buses, textbooks, and supplies, and the board leeway for reading improvement; repeals outdated language, including language related to school capital outlay in counties of the first class repealed December 31, 2016; modifies the definition of "certified revenue levy" in the Property Tax Act; modifies the homeowner's and renter's credits; and modifies provisions governing notice requirements for a proposed tax increase by the state
HB 357	Evaluating Tax Revenue Foregone from Federally Controlled Lands	K. Ivory	requires the Commission on Federalism to hold a hearing on the impact of the federal payments in lieu of tax on the state; authorizes the Commission on Federalism to engage each of the state's elected members of Congress in coordinating with the federal government to secure payments in lieu of tax that are equivalent to the property tax the state would generate but for federally controlled land in the state; and requires the Commission on Federalism to communicate the results of the hearing and any action taken to certain individuals and entities, including the state's elected members of Congress

2018 General Session Property Tax Bills and Resolutions that Passed

Number	Bill Name	Sponsor	Summary
SB 76	Commercial Property Tax Amendments	D. Hemmert	provides for a property tax exemption for real property that is leased entirely to the state or a local government entity for the taxable year
SB 101	Tax Amendments	L. Fillmore	requires the county board of equalization to list separately a significant adjustment on an agenda for a public hearing and provide certain property information
SB 124	Budget Deadline Amendments	L. Fillmore	amends the deadline by which a taxing entity is required to adopt certain budgets
SB 221	Property Tax Abatement for Indigents	D. Henderson	provides an appeal process for a property owner dissatisfied with a county's decision on the property owner's application for an abatement or deferral of property tax for a poor person
SB 234	Utah Inland Port Authority	J. Stevenson	creates the Utah Inland Port Authority; establishes the duties, responsibilities, and powers of the Utah Inland Port Authority; establishes a board to govern the port authority and provides for the board membership, terms, and responsibilities, and provides limits on board members; requires the port authority board to hire an executive director, and provides limits on the executive director; defines land that is under the jurisdiction of the port authority; authorizes the port authority to work to establish an inland port and a foreign trade zone; authorizes the port authority to adopt a project area plan and budget and to issue bonds; authorizes the port authority to receive tax differential funds; requires the port authority to prepare and adopt a budget and provides a process for preparing, adopting, and amending a budget; and requires the port authority to comply with certain audit and reporting requirements
SB 240	Military Installation Development Authority Amendments	J. Stevenson	creates the Military Installation Development Authority accommodations tax; amends provisions related to sales and use tax; amends provisions related to the governing board of the Military Installation Development Authority; amends provisions related to property tax within a project area; requires certain property owners to pay an annual payment to the authority; and amends provisions related to allowable uses of funds
SJR 2	Proposal to Amend Utah Constitution – Property Tax Exemptions	D. Hemmert	proposes to amend the Utah Constitution to allow real property that the state or a local government entity leases from a private owner to be exempt from property tax, as provided by statute

2018 General Session Sales and Use Tax Bills and Resolutions that Passed

Number	Bill Name	Sponsor	Summary
HB 367	Transient Room Tax Amendments	M. Noel	adds road repair and upgrade to the list of purposes for which counties of the fourth, fifth, or sixth class may spend revenue from the transient room tax
SB 36	Local Option Sales and Use Tax Distribution Formula Amendments	H. Stephenson	repeals and amends provisions relating to the distribution of sales and use tax revenue for certain fiscal years

SB 37	Sales and Use Tax Exemption Amendments	H. Stephenson	removes the requirement that a product purchased for resale be resold within the state to qualify for a sales and use tax exemption
SB 136	Transportation Governance Amendments	W. Harper	imposes a deadline for certain local governments to impose certain local option sales and use taxes; authorizes a new local option sales and use tax for certain counties with public transit services; allows a county, city, or town to impose certain local option sales and use taxes without submitting the question to the county's, city's, or town's registered voters; allows a city to impose certain local option sales and use taxes not imposed by the county; and amends provisions related to the expenditure of certain local option sales and use taxes
SB 233	Sales and Use Tax Amendments	H. Stephenson	repeals the economic life provision of the sales and use tax exemption for the purchase or lease of machinery, equipment, or normal operating repair or replacement parts by a manufacturing facility, certain mining establishments, or a web search portal for use in certain business activities; creates a sales and use tax exemption for the purchase or lease of materials, except office equipment and office supplies, by a manufacturing facility, certain mining establishments, or a web search portal that are used or consumed in certain business activities; creates a sales and use tax exemption for the purchase or lease of machinery, equipment, normal operating repair or replacement parts, or materials, except office equipment or office supplies, by a medical laboratory; makes the expansion of the exemption for a manufacturing facility, certain mining operations, or a web search portal and the new exemption for a medical laboratory effective upon the state collecting a certain amount of revenue from remote sales; and modifies the use of revenue in the Remote Sales Restricted Account
SB 235	Homeless Shelter Funding Amendments	G. Davis	allows redevelopment agencies to transfer funds to a county or municipality under certain circumstances; modifies the membership of the Homeless Coordinating Committee; creates an application process for certain municipalities with homeless shelters to obtain Homeless Shelter Cities Mitigation Restricted Account funds to employ and equip additional personnel to provide public safety services; creates a grant program with funds from the Homeless Shelter Cities Mitigation Restricted Account for a municipality with a homeless shelter to pay for programs to mitigate the impact of the homeless shelter and for the Department of Public Safety to employ additional personnel to provide public safety; requires the State Tax Commission to deposit a percentage of a county's or municipality's local option sales and use tax revenue into the Homeless Shelter Cities Mitigation Restricted Account; and directs the

2018 General Session Other Tax Bills and Resolutions that Passed

Number	Bill Name	Sponsor	Summary
HB 274	Brine Shrimp Royalty Amendments	S. Barlow	reduces the royalty rate on the total number of pounds of unprocessed brine shrimp eggs that a person harvests within the state during a tax year; amends the distribution of the revenue generated by the brine shrimp royalty; and requires revenue generated by the brine shrimp royalty that is deposited in the Sovereign Lands Management Account to be used for certain purposes
HB 491	Election Law Changes	R. Edwards	establishes procedures for submitting a nonbinding opinion question to the voters of Utah; describes the duties of the lieutenant governor and county clerks in submitting the opinion question to the voters; and establishes procedures for the ballot form, voter information pamphlet, public notice, manner of voting, and canvass of returns in relation to the nonbinding opinion question
SB 120	Local Government Fees and Taxes Amendments	D. Henderson	limits any authority a municipality has to impose a transportation utility fee by prohibiting a municipality from imposing a transportation utility fee on a legal subdivision
SB 136	Transportation Governance Amendments	W. Harper	defines "alternative fuel vehicle," "diesel fuel," "electric motor vehicle," "hybrid electric motor vehicle," "motor fuel," "natural gas," and "plug-in hybrid electric motor vehicle"; and modifies provisions imposing registration fees on motor vehicles
HJR 20	Joint Resolution Submitting a Question to Voters	R. Edwards	pursuant to Title 36, Chapter 16b, Nonbinding Statewide Public Opinion Questions, directs the lieutenant governor to present an opinion question to the legal voters of the state to determine whether the voters support an increase in the motor and special fuel tax rates by an equivalent of 10 cents per gallon for public education and local roads; and directs the lieutenant governor to submit the opinion question on the ballot for the 2018 regular general election